BALANCED BUDGET RECONCILIATION/Additional Savings

SUBJECT:

Balanced Budget Reconciliation Act of 1995...S. 1357. McCain motion to waive section 305(b)(2) of the Budget Act for the consideration of the McCain amendment No. 2971.

ACTION: MOTION REJECTED, 25-74

SYNOPSIS: As reported, S. 1357, the Balanced Budget Reconciliation Act of 1995, will result in a balanced budget in seven years, as scored by the Congressional Budget Office (CBO). The bill will also provide a \$245 billion middle-class tax cut, \$141.4 billion of which will be to provide a \$500 per child tax credit.

The McCain amendment would provide for the following (for \$60 billion in savings over 7 years):

the elimination of the Market Promotion Program;

the termination of the Advanced Light-Water Reactor Program;

a requirement that a contractor who purchases timber on Federal land must pay a fair pro rata share for the construction and maintenance of any road necessary to get to that timber;

the termination of the United States Travel and Tourism Administration;

a requirement for the Defense Department to seek recoupment from any overseas military equipment sales of any nonrecurring costs it incurred for research development, and production of that military equipment;

the elimination of authority and funding to conduct highway demonstration projects;

a prohibition on direct and guaranteed electric and telephone loans by the Rural Utilities Service absent a substantial need; limitations on the Export-Import Bank;

a ban on the National Aeronautics and Space Administration conducting research and development activities related to the performance of aircraft, unless those activities were paid for by the private sector;

the allocation by competitive bidding of electromagnetic spectrum (with exceptions);

the prohibition of procurement of additional B-2 bomber aircraft; and

(See other side)

YEAS (25)		NAYS (74)				NOT VOTING (0)	
Republicans	Democrats (10 or 22%)	Republicans (38 or 72%)		Democrats (36 or 78%)		Republicans (0)	Democrats (0)
(15 or 28%)							
Abraham Brown Coats Cohen Dole Faircloth Gramm Grams Grassley Gregg Hutchison Jeffords McCain Roth Thompson	Biden Bradley Feingold Kennedy Kerry Kohl Lautenberg Moynihan Pell Robb	Ashcroft Bennett Bond Burns Campbell Chafee Cochran Coverdell Craig D'Amato DeWine Domenici Frist Gorton Hatch Hatfield Helms Inhofe Kassebaum	Kempthorne Kyl Lott Lugar Mack McConnell Murkowski Nickles Pressler Santorum Shelby Simpson Smith Snowe Specter Stevens Thomas Thurmond Warner	Akaka Baucus Bingaman Boxer Breaux Bryan Bumpers Byrd Conrad Daschle Dodd Dorgan Exon Feinstein Ford Glenn Graham Harkin	Heflin Hollings Inouye Johnston Kerrey Leahy Levin Lieberman Mikulski Moseley-Braun Murray Nunn Pryor Reid Rockefeller Sarbanes Simon Wellstone	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	nced Yea nced Nay Yea

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the termination of any fossil fuels program research and development project that did not have at least 75 percent of its costs paid for by a non-Federal source by 1 year after the date of enactment of this Act.

Debate on first-degree amendments to reconciliation bills is limited to 2 hours each. By unanimous consent, debate on the McCain amendment was further limited. Following debate, Senator Exon raised the point of order that the amendment violated section 305(b)(2) of the Budget Act for adding non-germane matter. Senator McCain then moved to waive that section for the consideration of the amendment. Generally, those favoring the motion to waive favored the amendment; those opposing the motion to waive opposed the amendment.

NOTE: A three-fifths majority (60) vote of the Senate is required to waive section 305(b)(2). Following the vote, the point of order was upheld and the amendment thus fell.

Those favoring the motion to waive contended:

The libertarian CATO institute and the liberal Progressive Policy Institute joined forces to identify egregious forms of corporate welfare in the Federal budget. They came up with a series of expenditures, which, if eliminated, would save over \$60 billion over the next 7 years. We have taken their list and presented it as the McCain amendment. Senators are familiar with the corporate welfare items that would be stricken by the McCain amendment. Many of them, such as the Market Promotion Program, have been debated and voted on many times in the past. Previous attempts to eliminate them have failed, but we hope to do better this time because of the context of this debate. The bill before us will bring America's budget back into balance by restraining entitlement programs. With the massive and painful changes that are being made, we think it will be more difficult for Senators to vote in favor of the spending that would be stricken by the McCain amendment. We are also made more hopeful by the fact that in the highly polarized debate that has emerged on this bill we have been able to attract strong bipartisan cosponsorship of this amendment. We hope that a majority of our colleagues, even if they support one or two of the items that would be stricken by this amendment, will look at the larger picture of \$60 billion in additional savings, and will thus join us in voting to waive the Budget Act.

While favoring the amendment, some Senators expressed the following reservations:

We will vote in favor of the motion to waive with extreme reluctance. Some of the programs in here, such as the program to make rural utility rates affordable, should not be subjected to cuts. To save money, though, we will vote in favor of the amendment.

Those opposing the motion to waive contended:

Senators are presented with a complicated decision by the McCain amendment. In the few minutes available, they must weigh the merits of a dozen separate spending cuts, and they then must balance those cuts they favor against those they oppose to find if they can support this amendment. For our part, we believe that the ill-effects outweigh the benefits, so we will accordingly vote against the motion to waive.